



SUPPLIER RISK MANAGEMENT

Presented By:

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- ***Operating Principles***
- ***Risk Management Model***
- ***Policy Structure***
- ***Integrated Policy and Procedures***
- ***Revising One Book Chapters***
- ***Enabling Tools***
- ***Conclusions***

Operating Principles

- **Operating Principles**

Risk Management

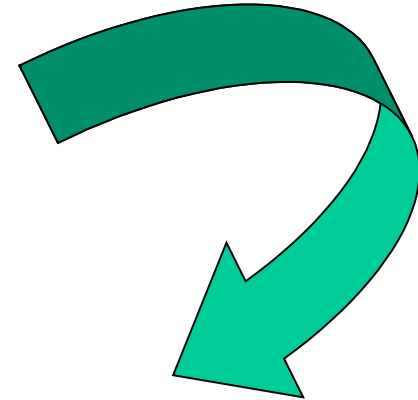
Civil Military Integration (CMI)

Process Oriented Contract

Administration Services (PROCAS)

Integrated Product Teams (IPTs)

Management Councils



- **DCMA Approach to Contract Pricing**

Risk Mitigation (Contract Type, Competition, Cost and Pricing Data, Thresholds)

Encouraging Corporate System Descriptions (Purchasing, Estimating, Accounting Systems)

UCA Process Management

IPT Pricing Strategy

Leveraging Management to effect Change



One Book Policy Structure



Supplier Risk Management

Business and Financial Systems

- Property Control System Analysis
- Contractor Estimating System Reviews
- Contractor Purchasing System Reviews
- Material Management & Accounting System

Pricing and Modification

- Forward Pricing Rate Agreements
- Cost Accounting Standards
- Final Overhead Rates

Payment & Financial Management

- Progress Payments
- Performance Based Payments
- Public Vouchers

Product Support

- Systems Planning Research Dev. & Eng. (SPR)
- Software CAS
- Test & Evaluation Management
- Supplier Quality Assurance
- Configuration Management/Deliv. Tech Data
- Packaging Management Program
- Parts Control Program

Major Program

- Earned Value Management System (EVMS)
- Integrated Logistics Support

Delivery

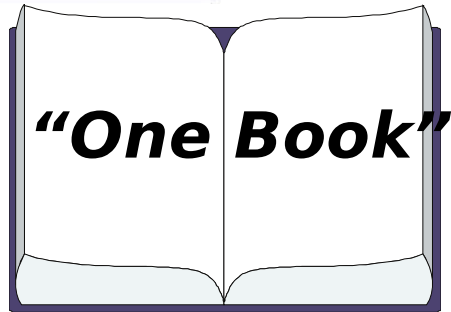
- Schedule and Delivery Management
- Contract Safety

Policy Deployment

**The Right *INFORMATION*
in the Right *AMOUNT*
at the Right *TIME*
in the Right *PLACE***

Integrated Policy and Process Deployment

Chapter 12.10 - Process of Policy Change



Enable the Process !

Definitions
Examples
Practical Work Sample
Tutorial
Guidebook
Analytical/Computational
Tool
Information Search
Performance Gauge
Form/Template
Computer Based Training
Talk to
Expert/Mentor/Peer
Collaboration (Teaming
on line)

1. This chapter is about...
2. We do this because:
3. DCMC's policy:
4. The process and who is responsible.

***F. Who does what
and when they do
it.***

5. Additional process information
6. Competencies/certifications required to execute this process:
7. PLAS reporting code:

- **Performance Metrics**

 - Unpriced Contractual Actions (UCA)***

 - Negotiation Cycle Time (NCT)***

 - Forward Pricing Rate Agreements (FPRA)***

 - Final Overhead Rates (O/H)***

- **Process Centric**

 - Process Drivers***

 - Pacing CMOs***

- **Policy Revisions**

 - Developing Risk Based Estimating System Chapter***

- **Enabling Tools**

 - Providing Training and Tools***

Enabling Tools

- **Conferences**

 - DCMA Pricing and Negotiation Conference***

 - NCMA National Education Seminars and Workshops***

- **Tools**

 - Cost Analyzer - DRI Subscriptions to Districts***

 - Haystack - Parts and Logistics Service***

 - Computer Aided Parametric Estimating Software***

- **Guidebooks**

 - IPT Pricing***

 - Technical Support to Negotiations***

 - Parametric Estimating Handbook***

 - Contract Pricing Reference Guides***

- **Use Operating Principles**

Understand and Manage Risk

***Understand and Measure Process
Outputs and Outcomes***

Leverage Process Stakeholders

Use Strengths of Knowledge Base